

104
H.R. 3846, H.R. 3870 AND H.R. 3735

Y 4. IN 8/16:M 34/4

H.R. 3846, H.R. 3870, and H.R. 3735...

MARKUP
BEFORE THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

JULY 24, 1996

Printed for the use of the Committee on International Relations



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MARKUP OF H.R. 3846, H.R. 3870 AND H.R. 3735

WEDNESDAY, JULY 24, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:24 a.m., in room 2172, Rayburn House Office Building, Washington, DC, Hon. Benjamin A. Gilman (chairman of the committee) presiding.

Chairman GILMAN. The committee will come to order. The Committee on International Relations meets today in open session pursuant to notice to consider several legislative items: H.R. 3846, the Microenterprise Act, H.R. 3870, a bill to provide for severance payments to employees of the Agency for International Development who voluntarily resign, and H.R. 3735, a bill to reauthorize the Development Fund for Africa.

The Chair does not intend to make substantive remarks at this time and would ask all members to withhold substantive remarks until we get to the pertinent item of legislation. I do not believe that these items are matters of great controversy, but there will be some amendments and some discussions and possibly one or more roll call votes. I would ask that members please try to remain in the room so that we may proceed at a good pace and have a quorum present when we are ready to report our bills out.

I would now recognize the senior member of the minority, the gentleman from Connecticut, Mr. Gejdenson.

Mr. GEJDENSON. Mr. Chairman, following your excellent advice, I will hold my statements until later.

Chairman GILMAN. Thank you very much.

The chair lays the first item of business, H.R. 3846, before the committee. The clerk will report the title of the bill.

Ms. BLOOMER. H.R. 3846. A bill to amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for microenterprises and for other purposes.

Chairman GILMAN. The clerk will read the bill for amendment.

Ms. BLOOMER. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Section 1—

Chairman GILMAN. Without objection, the bill is considered as having been read and as being open to amendment at any point. The Chair will recognize himself briefly to explain the bill.

I first want to note that as we move into the partisan Presidential election cycle, this committee has gone in the other direction to become more bipartisan, and more cooperative with the Administration. Through several recent pieces of important legislation

we have forged new alliances including our Military Assistance Bill, the Export Administration Act, the Iran-Libya Bill, the OPIC/TDA Reauthorization Bill, and NATO Expansion. On these measures, we have worked well with our colleagues in the minority and with the Administration.

Following World War II, Senator Vandenberg called for partisanship to end at the water's edge and, recently, I think we have moved toward that goal with the help and assistance of our ranking minority member, Mr. Hamilton. I hope that we can maintain this trend. We are stronger in the Congress when we speak with one voice on foreign policy.

Today we will consider three more bills that have strong bipartisan support, including the Microenterprise Act, authorized severance payments to AID employees who voluntarily resign and a Development Fund for Africa. These bills are important measures and send important signals for our country's foreign policy.

Turning to the Microenterprise Act, H.R. 3846, I will note that it represents a strong alliance between the Administration, microenterprise groups and the Congress behind the cause of microenterprise development to help the poorest of the poor work their way out of poverty.

We have all heard of Mohammed Yunus Grameen Bank and its success in Bangladesh. Today, the Grameen Bank is one of the largest banks in Bangladesh. It has served over 2 million borrowers, has loaned over \$1 billion and most of the loans are small loans under \$300. And 94 percent of the borrowers are women. The bank represents one of the most successful foreign assistance programs yet designed to eliminate poverty within the poorest of the poor.

Most importantly, Grameen's borrowers have repaid the bank at a 98 percent repayment rate. And it is important to note that the microenterprise movement is not just about Grameen. In Bolivia, BancoSol grew from nothing to serve over 40 percent of all banking clients in Bolivia. BancoSol and its microenterprise lending program is so big that it now borrows funds in the New York market to continue to serve Bolivia's poor. Other microenterprise institutions dot the planet, including hundreds right here in our own country and especially in my home State of New York.

This bill breaks new ground and provides two new tailor-made authorities under the Foreign Assistance Act for microenterprise grants and microenterprise loans. The bill recommends the Administration to focus on loans to the poorest of the poor, mainly through private, voluntary organizations, through non-governmental organizations and other worthy institutions.

The Administration does support the bill—along with Mr. Hamilton, Mr. Gejdenson and Mr. Houghton. We currently have 12 more co-sponsors who were just collected yesterday. I am grateful to them and I want to give special thanks to Sam Daly-Harris of Results and Robert Boyer of AID who helped bridge the gap allowing us in the Congress to come together in support of microenterprises.

I will note to the members of this committee that the introduced version of the bill represents a delicate compromise between the Administration, between both parties and microenterprise groups. If tougher language is adopted in committee, it could very well

jeopardize the bill. And while I support the position expressed by groups seeking to strengthen the bill, I am urging members not to offer amendments that would jeopardize final passage or Senate consideration or the President's final approval.

At the moment, the bill has the support of Senator Helms and Senator Sarbanes, which is a unique feat in and of itself. I think the bill is too important to delay in the Senate. I think that the debate on the bill and the report to accompany the bill will show: (1) that we want AID to make at least half of its micro loans below \$300, and (2) that we want AID to make most initial loans at the \$150 level to reach the poorest of the poor.

Following the hoped-for enactment of the bill, we can reexamine the situation next year to assess how successfully AID is reaching the poor with micro credits. And with that, I would like to recognize the senior minority member, Mr. Gejdenson.

Mr. GEJDENSON. Thank you, Mr. Chairman. I would like to commend you for your work in this area. And I would particularly like to commend the Administrator, Mr. Atwood, for his commitment to this program and through his tenure here as strengthening the microenterprise program. This, I think, may be the most important action that this country takes in foreign assistance and helping the poorest of the poor in the world and really providing an opportunity for people that they would not get in their own country without the leadership of the United States.

All of us can remember times when either families or friends needed but a small loan to help them make it. My own family when we came to this country accessed a fund put together that lent people \$500 on the signature of two people that you were of good character to help my family buy the farm when we came to the United States. So this is a great program, one that I believe in wholeheartedly and I commend the chairman for his efforts and hope that we can pass this quickly.

Chairman GILMAN. Are there any further comments? Mr. Houghton.

Mr. HOUGHTON. If I am on, Mr. Chairman, I want to also join Mr. Gejdenson in thanking you for this and for Mr. Hamilton and for others. Four points. It is a creative idea, it works, it is timely, it is the right thing to do. End of message. Thank you.

Chairman GILMAN. Thank you, Mr. Houghton.

Mr. Brown.

Mr. BROWN. In the interest of Mr. Houghton-type brevity, I will be almost equally brief. Special thanks to the chairman for his leadership on this issue. I echo his comments about the importance of loans under \$300 understanding the necessity for flexibility that AID needs.

I am not going to offer an amendment that the chairman and I had talked about mandating that half those loans be under \$300 based for two reasons: (1) the chairman's request—three reasons, I guess—(1) the chairman's request, (2) the arrangement and the working out of the agreement among all interested parties and (3) because there are some countries that are a little bit wealthier or not as poor where the \$300 threshold might not work quite as well and the flexibility issue might be more difficult.

The \$300 mandate might be more difficult, but I hope the comments of the chairman and me and others in this committee will be heard strongly and the message will be sent strongly to AID that a real emphasis should be on these loans under \$300, keeping in mind the Grameen Bank and all the things that have happened with microenterprise and the poorest of the poorest countries in the world.

So I applaud the bipartisan working together of this committee and other committees in the House and Senate on this extraordinarily important issue as Mr. Gejdenson said. Thank you, Mr. Chairman.

Chairman GILMAN. Thank you, Mr. Brown. I appreciate your cooperation in this issue. Are there any other members seeking recognition?

If not, Mr. Bereuter.

Mr. BEREUTER. Mr. Chairman, I move the chairman be requested to seek consideration of H.R. 3846 on the Suspension Calendar.

Chairman GILMAN. The question is on the motion. As many as in favor of the motion, signify in the usual manner.

[Chorus of ayes.]

Chairman GILMAN. As opposed, say "No."

[Chorus of noes.]

Chairman GILMAN. The ayes appear to have it. The motion is agreed to.

Without objection the chair is considered to have been instructed to make motions under Clause 1 of Rule 20 relating to going to conference on the bill or on a companion bill originating in the Senate. Without objection, the staff director is authorized to make technical conforming grammatical amendments to the bill.

The chair now lays before the committee the next item, H.R. 3870, which the clerk will report.

Ms. BLOOMER. H.R. 3870, a bill to authorize the Agency for International Development to offer voluntary separation incentive payments to employees of that agency.

Chairman GILMAN. The clerk will read the bill for amendment.

Ms. BLOOMER. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. Section 1—

Chairman GILMAN. Without objection, the bill is considered as having been read and as being open to amendment at any point. The chair will recognize himself briefly to explain the bill.

We will now consider H.R. 3870—at the request of the Administration—to allow AID to offer up to 100 employees who voluntarily resign severance payments up to a cap of \$25,000. As you know, in the Foreign Service, employees are entitled 1 month severance pay per year of service. Civil Service employees are entitled to 1 week severance per year of service.

Over the past few years, AID's personnel have been reduced in size from approximately 11,000 to 8,000 employees mainly by attrition. Due to further cuts in the President's Fiscal Year 1997 budget request, AID had to accelerate the reductions and is currently in the process of laying off 200 employees by conducting a formal Reduction in Force ("RIF") of some 97 Foreign Service and 103 Civil Service employees.

Rather than lay off all 200 employees, AID would like to offer up to 100 employees who voluntarily resign (and who are not already eligible to retire), the opportunity to receive the severance payment they would have received if they had been laid off, up to a cap of \$25,000. In this way, AID hopes to have 100 volunteers take the place of at least half of those scheduled to be laid off. The CBO has stated this bill would cause the government to collect an additional \$1 million in mandatory receipts, thereby making it a net positive debt reduction measure for the purpose of pay-go rules.

In an advisory note, they also estimated the bill would cost \$3 million in discretionary spending, all within AID's currently appropriated operating expense account.

This bill is supported by the Administration, by the American Foreign Service Association, by the chairman of the House Government Reform Subcommittee on Civil Service, Mr. Mica, and by the Senate chairman of the Government Affairs Committee, Mr. Stevens. Other versions of this language have been attached to appropriations bills. We hope that one of these measures is enacted as early as possible to allow AID to make the best of a bad situation.

I only have one technical amendment to remove provisions inserted in the bill to make certain that it was also referred to this committee. Besides that, I am recommending that our members support the measure to help AID reduce its members in a more humane and voluntary way.

Before offering my amendment, I would like to recognize Mr. Hamilton for any comments that he may have.

Mr. HAMILTON. Mr. Chairman, let me apologize to you for being late today. I was testifying before another committee on another matter which caused me to come late. I simply want to support your efforts here. I appreciate what you're trying to do. I know you are trying to help the Agency for International Development minimize the RIF's and I support it and will vote for the bill. I thank you for your leadership on it.

Chairman GILMAN. Thank you, Mr. Hamilton.

Any other members have any comments?

If not, I have an amendment at the desk. The clerk will read the amendment. The staff will distribute the amendment.

Ms. BLOOMER. Amendment offered by Mr. Gilman, page 5, strike lines 4 through 9; page 8, strike lines 18 through 25.

Chairman GILMAN. While the amendment is being distributed, this amendment is merely technical in nature. The bill most entirely falls within the jurisdiction of the Government Reform Committee. In order to help AID, Chairman Mica has agreed to waive jurisdiction and allow our International Relations Committee to mark up, move the bill through the committee to the Suspension Calendar of the House. The amendment simply removes two provisions the Parliamentarian noted were needed to bring the bill before the committee. Is there any further discussion on the amendment?

If not, the question is now on the amendment. As many as in favor of the amendment, signify in the usual manner.

[Chorus of ayes.]

Chairman GILMAN. As many as are opposed, signify by saying, "No."

[Chorus of noes.]

Chairman GILMAN. The ayes appear to have it. The ayes have it. The amendment is agreed to.

Are there any further amendments?

If not——

Mr. FOX. Mr. Chairman.

Chairman GILMAN. Mr. Fox.

Mr. FOX. I just want to speak in support of the bill just to say that as ranking member Hamilton said, and others, I believe that this is a sensitive way of handling the problem and to also save the jobs of the key employees at AID So, therefore, I would, of course, support the chairman and the bill.

Chairman GILMAN. Thank you, Mr. Fox, for your supportive comments.

If there are no further amendments or members seeking recognition, the gentleman from Nebraska is recognized to offer a motion.

Mr. BEREUTER. Mr. Chairman, I move that the chairman be requested to seek consideration of the bill H.R. 3870 on the Suspension Calendar.

Chairman GILMAN. The question is on the motion by Mr. Bereuter. As many as in favor of the motion, signify in the usual manner.

[Chorus of ayes.]

Chairman GILMAN. As many opposed, say, "No."

[Chorus of noes.]

Chairman GILMAN. The ayes appear to have it. The ayes do have it. The motion is agreed to.

Without objection, the Chair is considered to have been instructed to make motions under Clause 1 of Rule 20 relating to going to conference on the bill or on a companion bill originating in the Senate. Without objection, the staff director is authorized to make technical conforming grammatical amendments to the bill.

The Chair now lays before the committee the next item, H.R. 3735, which the clerk will report.

Ms. BLOOMER. H.R. 3735, a bill to amend the Foreign Assistance Act of 1961 to reauthorize the Development Fund for Africa under Chapter 10 of Part 1 of that Act.

Chairman GILMAN. The clerk will read the bill for amendment.

Ms. BLOOMER. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,——

Chairman GILMAN. Without objection, the bill is considered as having been read and as being open for amendment at any point.

This legislation was introduced by our distinguished colleague, the vice-chairman of the committee and chairman of the Subcommittee on Asia and Pacific, Mr. Bereuter. The Chair would like to recognize Mr. Bereuter for his explanation of the bill.

Mr. BEREUTER. I thank you, Mr. Chairman.

The Development Fund for Africa was established in the mid-1980's by this committee. Our former colleague, Mr. Wolpe, from Michigan, led the effort; but it had bipartisan support, including members who still serve on this committee and I count myself as one of them.

However, the authorization for the DFA has elapsed and it is in need of reauthorization. I discussed this matter personally with

Secretary Christopher in the presence of Mr. Berman and he is supportive of reauthorization.

The purpose of the DFA is to ensure a general level of support for assistance to Africa which clearly suffers the majority of the world's development problems. If you look back to the period from 1962 to 1989, Africa accounted for only 6.7 percent of all U.S. foreign assistance, and that includes the U.S. share of aid channeled through the multilateral development organizations.

The DFA ensures that U.S. relief and assistance efforts in Africa will have a predictable and relatively certain support level, but it does not micromanage. DFA does not dictate how those funds will be spent, just that the funds be spent on programs in Africa.

We are not seeking new money in addition to that which is authorized in the Foreign Aid bill. We are simply ensuring that a certain portion of the foreign aid development assistance go to African programs. And, in fact, there is some indication of the result of the previous workings of the DFA, because, during the 1990's, the aid to Africa grew to 10 percent of U.S. foreign assistance.

When Chairman Gilman, subcommittee Chairman Ros-Lehtinen, Mr. Houghton, Mr. Payne, and Mr. Hastings joined me in introducing this legislation, we suggested a funding level of \$539 million. This level reflects 41 percent of the total development assistance account. This was the same percentage level of support that was in the President's request. It is a lower dollar figure than the President requested because we have reduced the overall DA levels and the DFA would have been reduced accordingly.

However, the chairman will offer an amendment which I support and which I urge my colleagues to support that will incorporate the projected Africa portion of the Child Survival Fund. There is some confusion because while the House has come out strongly in favor of the Child Survival Fund, the Senate does not have a Child Survival Fund.

This simply makes it clear that the money that should go to the Child Survival Fund will also support programs in Africa because the Senate does not appropriate for the Child Survival Fund.

At the Administration's request, in an effort to maintain support for this important bipartisan legislation, the authorization level reflects the Administration's Fiscal Year 1997 request level. This request level, \$704 million, is authorized for 3 years, Fiscal Year 1997 through 1999.

I think it is important to remember that this includes some \$140 million of the Child Survival Fund. It is also important to remember that even at this level, support for African programs is down dramatically from a few short years ago when we were considering a \$1 billion DFA.

I urge my colleagues to support the legislation and I thank my colleagues who have supported me in the reauthorization by their co-sponsorship.

Chairman GILMAN. I thank the gentleman for his supporting remarks. We are going to try to get through this and do our vote before we have to leave, so we will be brief.

I just want to voice my support for the measure. I will put my full statement in the record and I call on Mr. Hamilton, ranking minority member.

[The prepared statement of Mr. Gilman appears in the appendix.]

Mr. HAMILTON. I will do the same, Mr. Chairman. I commend Mr. Bereuter, Mr. Payne, Mr. Hastings. I strongly support it and I will submit some comments. Thank you.

I yield to Mr. Payne.

Mr. PAYNE. Thank you. I suppose while I have a very interesting statement, I guess I will just have to include it for the record since everyone is doing that. And I strongly support the Gilman amendment of the 704. I think that this is a step in the right direction.

Many of us felt—I will quote Tony Lake. He said that if the United States cuts aid to Russia, the United States will be harmed. If the United States cuts aid to Africa, while our interests are less affected, people will die. And so I really thank the committee for drawing attention to this very important area and will ask that my complete statement be placed in the record.

[The prepared statement of Mr. Payne appears in the appendix.]

Chairman GILMAN. Thank you, Mr. Payne.

I recognize the distinguished chairman of the African Subcommittee, Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. My statement is not nearly as interesting as Mr. Payne's. I am sure would have been, but I would also like to say I support the bill. I would like my statement to be placed in the record.

[The prepared statement of Ms. Ros-Lehtinen appears in the appendix.]

Chairman GILMAN. Thank you. Without objection, the statement will be included in the record.

Ms. ROS-LEHTINEN. Yes. I will be glad to yield to Mr. Bereuter, if I could, Mr. Chairman.

Mr. BEREUTER. I just wanted to thank the gentlelady for expediting the process through the subcommittee by waiving jurisdiction because she has been so supportive.

Ms. ROS-LEHTINEN. Thank you.

Chairman GILMAN. Mr. Hastings.

Mr. HASTINGS. I thank you, Mr. Chairman. I would just ask unanimous consent to my remarks being included in the record and I want to take this opportunity to say that I am very grateful for the efforts put forth by my colleagues; but, more specifically, my colleague from Nebraska, Mr. Bereuter.

[The prepared statement of Mr. Hastings appears in the appendix.]

Chairman GILMAN. Thank you, and without objection, the statement will be entered into the record.

Mr. Wynn.

Mr. WYNN. Mr. Chairman, I too, would like to ask unanimous consent to have a statement included in the record.

Chairman GILMAN. Without objection, it is so ordered.

Mr. WYNN. And also extend my compliments to our colleague, Mr. Bereuter, for his leadership on this issue.

Chairman GILMAN. Thank you, Mr. Wynn.

The Chair will offer an amendment—

Mr. ACKERMAN. Mr. Chairman, briefly?

Chairman GILMAN. Yes, very briefly. We want to do it before the vote.

Mr. ACKERMAN. Why do you have to make a speech every time you call on me, Mr. Chairman?

[Laughter.]

Mr. ACKERMAN. I would like to ask unanimous consent that my brilliant and witty statement be placed in the record at the appropriate place and also offer my congratulations to Mr. Bereuter, Ms. Ros-Lehtinen and all concerned with this legislation.

[The prepared statement of Mr. Ackerman appears in the appendix.]

Chairman GILMAN. The Chair appreciates the erudite statement and without objection, it will be entered in the record.

The Chair will offer an amendment at this time. The clerk will report the amendment. The staff will distribute the amendment.

Ms. BLOOMER. Amendment offered by Mr. Gilman, page 2, line 2, strike \$539,300,000 and insert \$704,000,000.

Chairman GILMAN. This amendment simply reflects an agreement with the Administration authorizing a development fund for Africa for 3 years, at the Administration's request level of \$704 million. As I noted, the House appropriators effectively provided at least \$679 million. The Senate is likely to provide more. We are setting the level at Fiscal Year 1997 Administration's request level, given the pressure to balance the budget, even under the Clinton projections for the out-years I think it is highly unlikely we would ever be able to provide more than \$704 million; therefore, I think we can agree that the level is a good maximum and hopefully minimum for the appropriators to mark to.

Do any other members seek recognition on the amendment?

If not, without objection, the amendment is agreed to.

Mr. Bereuter.

Mr. BEREUTER. Mr. Chairman, I move that the chairman be requested to seek consideration of the Bill H.R. 3735 as amended on the Suspension Calendar.

Chairman GILMAN. All in favor of the motion, signify in the usual manner.

[Chorus of ayes.]

Chairman GILMAN. All those opposed?

[Chorus of noes.]

Chairman GILMAN. Apparently, the ayes have it and the motion is agreed to. Without objection, the Chair is considered to have been instructed to make motions under Clause 1, Rule 20 relating to going to conference on the bill or companion bill originating in the Senate. Without objection, the staff director is authorized to make technical conforming grammatical amendments to the bill.

And without objection the committee is authorized to file reports on H.R. 3846 and H.R. 3735.

The committee stands adjourned.

[Whereupon, at 10:49 a.m., the committee was adjourned.]

APPENDIX

I

104TH CONGRESS
2D SESSION

H. R. 3846

To amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for microenterprises, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 1996

Mr. GILMAN introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for microenterprises, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Microenterprise Act".

5 **SEC. 2. MICRO- AND SMALL ENTERPRISE DEVELOPMENT**
6 **CREDITS.**

7 Section 108 of the Foreign Assistance Act of 1961
8 (22 U.S.C. 2151f) is amended to read as follows:

1 **"SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT**2 **CREDITS.**

3 “(a) FINDINGS AND POLICY.—The Congress finds
4 and declares that—

5 “(1) the development of micro- and small enter-
6 prise, including cooperatives, is a vital factor in the
7 stable growth of developing countries and in the de-
8 velopment and stability of a free, open, and equi-
9 table international economic system;

10 “(2) it is, therefore, in the best interests of the
11 United States to assist the development of the pri-
12 vate sector in developing countries and to engage the
13 United States private sector in that process;

14 “(3) the support of private enterprise can be
15 served by programs providing credit, training, and
16 technical assistance for the benefit of micro- and
17 small enterprises; and

18 “(4) programs that provide credit, training, and
19 technical assistance to private institutions can serve
20 as a valuable complement to grant assistance pro-
21 vided for the purpose of benefiting micro- and small
22 private enterprise.

23 “(b) PROGRAM.—To carry out the policy set forth in
24 subsection (a), the President is authorized to provide as-
25 sistance to increase the availability of credit to micro- and

1 small enterprises lacking full access to credit, including
2 through—

3 “(1) loans and guarantees to credit institutions
4 for the purpose of expanding the availability of cred-
5 it to micro- and small enterprises;

6 “(2) training programs for lenders in order to
7 enable them to better meet the credit needs of
8 micro- and small entrepreneurs; and

9 “(3) training programs for micro- and small en-
10 trepreneurs in order to enable them to make better
11 use of credit and to better manage their enter-
12 prises.”.

13 **SEC. 3. MICROENTERPRISE DEVELOPMENT GRANT ASSIST-**
14 **ANCE.**

15 Chapter 1 of part I of the Foreign Assistance Act
16 of 1961 (22 U.S.C. 2151 et seq.) is amended by adding
17 at the end the following new section:

18 **“SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT AS-**
19 **SISTANCE.**

20 “(a) AUTHORIZATION.—(1) In carrying out this part,
21 the Administrator of the United States Agency for Inter-
22 national Development is authorized to provide grant as-
23 sistance for programs of credit and other assistance for
24 microenterprises in developing countries.

1 “(2) Assistance authorized under paragraph (1) shall
2 be provided through organizations that have a capacity to
3 develop and implement microenterprise programs, includ-
4 ing particularly—

5 “(A) United States and indigenous private and
6 voluntary organizations;

7 “(B) United States and indigenous credit
8 unions and cooperative organizations; or

9 “(C) other indigenous governmental and non-
10 governmental organizations.

11 “(3) Approximately one-half of the credit assistance
12 authorized under paragraph (1) shall be used for poverty
13 lending programs, including the poverty lending portion
14 of mixed programs. Such programs—

15 “(A) shall meet the needs of the very poor
16 members of society, particularly poor women; and

17 “(B) should provide loans of \$300 or less in
18 1995 United States dollars to such poor members of
19 society.

20 “(4) The Administrator should continue support for
21 mechanisms that—

22 “(A) provide technical support for field mis-
23 sions;

1 “(B) strengthen the institutional development
2 of the intermediary organizations described in para-
3 graph (2); and

4 “(C) share information relating to the provision
5 of assistance authorized under paragraph (1) be-
6 tween such field missions and intermediary organiza-
7 tions.

8 “(b) MONITORING SYSTEM.—In order to maximize
9 the sustainable development impact of the assistance au-
10 thorized under subsection (a)(1), the Administrator should
11 establish a monitoring system that—

12 “(1) establishes performance goals for such as-
13 sistance and expresses such goals in an objective and
14 quantifiable form, to the extent feasible;

15 “(2) establishes performance indicators to be
16 used in measuring or assessing the achievement of
17 the goals and objectives of such assistance; and

18 “(3) provides a basis for recommendations for
19 adjustments to such assistance to enhance the sus-
20 tainable development impact of such assistance, par-
21 ticularly the impact of such assistance on the very
22 poor, particularly poor women.”.

104TH CONGRESS
2D SESSION

H. R. 3870

IN THE HOUSE OF REPRESENTATIVES

Mr. GILMAN introduced the following bill; which was referred to the
Committee on _____

A BILL

To authorize the Agency for International Development to offer voluntary separation incentive payments to employees of that agency.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. VOLUNTARY SEPARATION INCENTIVES FOR**
4 **EMPLOYEES OF THE AGENCY FOR INTER-**
5 **NATIONAL DEVELOPMENT.**

6 (a) **DEFINITIONS.**—For the purposes of this Act—

7 (1) the term “agency” means the Agency for
8 International Development;

1 (2) the term “Administrator” means the Ad-
2 ministrator, Agency for International Development;
3 and

4 (3) the term “employee” means an employee
5 (as defined by section 2105 of title 5, United States
6 Code) who is employed by the agency, is serving
7 under an appointment without time limitation, and
8 has been currently employed for a continuous period
9 of at least 12 months, but does not include—

10 (A) any employee who, upon separation
11 and application, would then be eligible for an
12 immediate annuity under subchapter III of
13 chapter 83 (except for section 8336(d)(2)) or
14 chapter 84 (except for section 8414(b)(1)(B))
15 of title 5, United States Code, or corresponding
16 provisions of another retirement system for em-
17 ployees of the agency;

18 (B) a reemployed annuitant under sub-
19 chapter III of chapter 83 or chapter 84 of title
20 5, United States Code, or another retirement
21 system for employees of the agency;

22 (C) an employee having a disability on the
23 basis of which such employee is or would be eli-
24 gible for disability retirement under the applica-

1 ble retirement system referred to in subpara
2 graph (A);

3 (D) an employee who is to be separated in-
4 voluntarily for misconduct or unacceptable per-
5 formance, and to whom specific notice has been
6 given with respect to that separation;

7 (E) an employee who, upon completing an
8 additional period of service, as referred to in
9 section 3(b)(2)(B)(ii) of the Federal Workforce
10 Restructuring Act of 1994 (5 U.S.C. 5597
11 note), would qualify for a voluntary separation
12 incentive payment under section 3 of such Act;

13 (F) an employee who has previously re-
14 ceived any voluntary separation incentive pay-
15 ment by the Government of the United States
16 under this Act or any other authority and has
17 not repaid such payment;

18 (G) an employee covered by statutory re-
19 employment rights who is on transfer to an-
20 other organization; or

21 (H) any employee who, during the 24-
22 month period preceding the date of separation,
23 received a recruitment or relocation bonus
24 under section 5753 of title 5, United States
25 Code, or who, within the 12-month period pre-

ceding the date of separation, received a retention allowance under section 5754 of such title 5.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The Administrator, before obligating any resources for voluntary separation incentive payments under this Act, shall submit to the House and Senate Committees on Appropriations and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered;

1 (C) a description of how the agency will
2 operate without the eliminated positions and
3 functions; and

4 (D) a report on the anticipated impact of
5 the reductions or eliminations referred to in
6 subparagraph (A) (as the case may be) with re-
7 spect to the implementation of the Foreign As-
8 sistance Act of 1961 and the State Department
9 Basic Authorities Act of 1956, respectively.

10 (c) AUTHORITY TO PROVIDE VOLUNTARY SEPARA-
11 TION INCENTIVE PAYMENTS.—

12 (1) IN GENERAL.—A voluntary separation in-
13 centive payment under this Act may be paid by the
14 agency to not more than 100 employees of such
15 agency and only to the extent necessary to eliminate
16 the positions and functions identified by the strate-
17 gic plan.

18 (2) AMOUNT AND TREATMENT OF PAYMENTS.—
19 A voluntary separation incentive payment under this
20 Act—

21 (A) shall be paid in a lump sum after the
22 employee's separation;

23 (B) shall be paid from appropriations or
24 funds available for the payment of the basic pay
25 of the employees;

1 (C) shall be equal to the lesser of—

2 (i) an amount equal to the amount
3 the employee would be entitled to receive
4 under section 5595(c) of title 5, United
5 States Code, if the employee were entitled
6 to payment under such section; or

7 (ii) an amount determined by the
8 agency head not to exceed \$25,000;

9 (D) may not be made except in the case of
10 any employee who voluntarily separates (wheth-
11 er by retirement or resignation) before Feb-
12 ruary 1, 1997;

13 (E) shall not be a basis for payment, and
14 shall not be included in the computation, of any
15 other type of Government benefit; and

16 (F) shall not be taken into account in de-
17 termining the amount of any severance pay to
18 which the employee may be entitled under sec-
19 tion 5595 of title 5, United States Code, based
20 on any other separation.

21 (d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE
22 RETIREMENT FUND.—

23 (1) IN GENERAL.—In addition to any other
24 payments which it is required to make under sub-
25 chapter III of chapter 83 or chapter 84 of title 5,

1 United States Code, the agency shall remit to the
2 Office of Personnel Management for deposit in the
3 Treasury of the United States to the credit of the
4 Civil Service Retirement and Disability Fund an
5 amount equal to 15 percent of the final basic pay of
6 each employee of the agency who is covered under
7 subchapter III of chapter 83 or chapter 84 of title
8 5, United States Code, to whom a voluntary separa-
9 tion incentive has been paid under this Act.

10 (2) DEFINITION.—For the purpose of para-
11 graph (1), the term “final basic pay”, with respect
12 to an employee, means the total amount of basic pay
13 which would be payable for a year of service by such
14 employee, computed using the employee’s final rate
15 of basic pay, and, if last serving on other than a
16 full-time basis, with appropriate adjustment there-
17 for.

18 (e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH
19 THE GOVERNMENT.—An individual who has received a
20 voluntary separation incentive payment under this Act and
21 accepts any employment for compensation with the Gov-
22 ernment of the United States, or who works for any agen-
23 cy of the Government of the United States through a per-
24 sonal services contract, within 5 years after the date of
25 the separation on which the payment is based shall be re-

1 quired to pay, prior to the individual's first day of employ-
2 ment, the entire amount of the incentive payment to the
3 agency that paid the incentive payment.

4 (f) REDUCTION OF AGENCY EMPLOYMENT LEV-
5 ELS.—

6 (1) IN GENERAL.—The total number of funded
7 employee positions in the agency shall be reduced by
8 one position for each vacancy created by the separa-
9 tion of any employee who has received, or is due to
10 receive, a voluntary separation incentive payment
11 under this Act. For the purposes of this subsection,
12 positions shall be counted on a full-time-equivalent
13 basis.

14 (2) ENFORCEMENT.—The President, through
15 the Office of Management and Budget, shall monitor
16 the agency and take any action necessary to ensure
17 that the requirements of this subsection are met.

18 SEC. 2. AUTHORIZATION.

19 There are hereby authorized to be appropriated to the
20 Agency for International Development such sums as may
21 be necessary to carry out the provisions of this Act.

104TH CONGRESS
2D SESSION

H. R. 3735

To amend the Foreign Assistance Act of 1961 to reauthorize the Development Fund for Africa under chapter 10 of part I of that Act.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1996

Mr. BEREUTER (for himself, Ms. ROS-LEHTINEN, Mr. JOHNSTON of Florida, Mr. HOUGHTON, Mr. PAYNE of New Jersey, and Mr. HASTINGS of Florida) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To amend the Foreign Assistance Act of 1961 to reauthorize the Development Fund for Africa under chapter 10 of part I of that Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REAUTHORIZATION OF DEVELOPMENT FUND**
4 **FOR AFRICA.**

5 Section 497 of the Foreign Assistance Act of 1961
6 (22 U.S.C. 2294) is amended—

7 (1) by inserting after the section heading the
8 following:

1 “(a) IN GENERAL.—There are authorized to be ap-
2 propriated to carry out this chapter \$539,300,000 for
3 each of the fiscal years 1997, 1998, and 1999.”; and

4 (2) by striking “Funds appropriated” and in-
5 serting the following:

6 “(b) AVAILABILITY.—Funds appropriated”.

Amendment to H.R. 3870 Offered by Mr. Gilman

Page 5, strike lines 4 through 9.

Page 8, strike lines 18 through 21.

Amendment to H.R. 3735 offered by Mr. GILMAN:

Page 2, line 2, strike "\$539,300,000" and insert in lieu thereof "\$704,000,000".

Opening Remarks of Rep. Benjamin A. Gilman
Chairman
House International Relations Committee
Markup of H.R. 3735
To Reauthorize the Development Fund for Africa

We will now markup Rep. Bereuter's bill, H.R. 3735, to reauthorize the Development Fund for Africa for Fiscal Years ("FY") 1997-99. As our Chairman of the Africa Subcommittee will attest, while other regions of the world have improved their economic growth, Sub-Saharan Africa remains far behind the rest of the world in per capita GNP. Given the lack of progress, there is a strong case for continued aid to Africa while other aid programs may be phased out. To reflect this strong sentiment behind continued aid to Africa, the Committee will markup this bill to reauthorize the main U.S. development aid program for that region.

I will note that from 1962 to 1989, Africa only received 6.7% of U.S. foreign aid. This increased to 10% in the early 1990s. This bill reflects the consensus that percentage should increase. While other regions have managed to attract private capital, Africa's share of world trade has declined to just 1.6%, including South Africa. Infant mortality on the continent remains at twice the rate of other developing regions. Many countries need to graduate from aid, including South Africa, as AID plans. Others have a long way to go and this bill recognizes that fact.

Originally, the bill was drafted to reflect funding for Africa included in the House-passed version of the FY97 Foreign Operations Appropriations bill (H.R. 3540). Under that measure's bill and report language, Africa was set to receive \$539 million in Development Assistance, reflecting 41% of the world-wide Development Assistance account (the same percentage used in the President's request). In addition, the appropriations bill contained a Child Survival account that CRS projected would contribute \$140 million to Africa. Therefore, under the FY97 House appropriations bill, a total of \$679 million in Development Assistance would go to Africa.

In negotiations, representatives of the Administration urged our Committee to put aside the House Appropriations figures because the Senate did not duplicate them and could provide a higher total number for Africa, especially since the Senate also did not have a Child Survival Fund. Therefore, I will offer a compromise amendment to the bill, authorizing the DFA at the Administration's FY97 request level of \$704 million for three fiscal years, FY97-99. We hope to provide a steady base of funding to slowly improve Africa's lot. I urge all members of the committee to support this bipartisan effort.

I would now like to recognize Mr. Hamilton for any comments he has...

CONGRESSMAN DONALD M. PAYNE
MARK-UP of DFA
COMMITTEE ON INTERNATIONAL RELATIONS
JULY 24, 1996

Thank you Mr. Chairman for marking up this extremely important bill--H.R 3735 sponsored by Mr. Bereuter in which I am an original co-sponsor and I also support the Amendment offered by Mr. Gilman to authorize the Development Fund Amendment at the Administration's FY97 request level of \$704 million for the three fiscal years, FY 97-99.

The DFA is now in its 10th year. It is a very important factor in African development and has led the way in areas of democratization, poverty elimination, health, and economic development.

Congress recognized the uniqueness of the continent's development challenges in establishing the DFA in 1987. This bipartisan effort reflected the conviction that the U.S. has clear national interest in promoting broad-based sustainable development in Africa.

Sub-Saharan African nations face unique development challenges in that there are problems in southern Sudan, Liberia, Somalia and other countries as well. DFA's programs are doing what Americans think is the right thing to do with foreign aid. It is saving children's lives; It is fighting deadly diseases; It is conquering hunger and creating jobs and teaching people basic skills so that they can take care of themselves. In this way, they can move away from aid and build democracies to promote stability.

In fiscal year 1996, the DFA received approximately \$675 million for the total development assistance. It is in the U.S. national interest to assist African national. This account suffered deep cuts this year when the DFA line item was eliminated so I am glad to see this bipartisan effort led by Mr. Bereuter, my distinguished colleague from Nebraska.

In closing I would like to quote Tony Lake, the President's National Security Advisor in which he said, "If the U.S. cuts aid to Russia, the pace of economic reform will be slowed and important American interests will be harmed. If the U.S. cuts AID to Africa, while our interests are less effected, people will die."

Once again, thank you for marking up this very important piece of legislation.

Statement of Congresswoman Ileana Ros-Lehtinen
before the House Committee on International Relations
July 24, 1996

Mr. Chairman, I thank you for scheduling this mark up on the bill to reauthorize the African Development Fund.

In this era of declining real foreign aid appropriations, it is important that Congress help set our foreign aid priorities by legislation and through negotiations with the executive branch.

Foreign aid needs in Africa are one of our highest priorities and deserve some legislative protection from the other demands upon the foreign affairs budget.

The money we invest today in promoting economic development, private enterprise development, and democratization in Africa is a wise investment.

As we have seen in recent years, the lack of economic development and economic opportunities and the lack of democratic political systems has led to some extremely expensive humanitarian crises and costly UN peacekeeping operations -- such as those we have faced in recent years in Somalia, Rwanda, Angola, and Liberia, to name only a few countries on the continent.

While other regions of the world have shown economic progress, Sub-Saharan Africa continues as a region with the least economic prosperity.

Given the lack of economic development, we should continue our efforts in Africa while phasing out our programs in the countries where they have now achieved their objectives.

I therefore strongly support the reauthorization of the DFA and an authorized level of \$704 million -- which is the

Administration's requested level for the next fiscal year -- with the hope that the Appropriations Committees will be able to find the resources to meet the needs in Africa.

This is a bipartisan effort, and I urge all members of the Committee to support this bill.

ALCEE L. HASTINGS
23rd CONGRESSIONAL DISTRICT
FLORIDA

COMMITTEE ON
INTERNATIONAL RELATIONS
SUBCOMMITTEES

AFRICA

COMMITTEE ON SCIENCE
SUBCOMMITTEES

BASIC RESEARCH
SPACE AND AERONAUTICS



**Congress of the United States
House of Representatives
Washington, DC 20515-0923**

CONGRESSMAN ALCEE L. HASTINGS OF FLORIDA
STATEMENT IN SUPPORT OF HR 3735
JULY 23, 1996

PLEASE RESPOND TO:

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MR. CHAIRMAN, I WOULD LIKE TO STATE MY SUPPORT FOR THIS LEGISLATION, AND ALSO TO THANK MY COLLEAGUE FROM NEBRASKA FOR THE OUTSTANDING WORK THAT HE HAS DONE TO HELP THE CONTINENT OF AFRICA. SINCE LOCAL INTERESTS PROBABLY DO NOT DICTATE HIS INVOLVEMENT, MR. BEREUTERS GOOD WORKS COME STRAIGHT FROM HIS CONVICTION THAT WE MUST HELP ALL OF GODS CHILDREN. ENABLING THE CONTINENT OF AFRICA TO DEVELOP IS THE RIGHT THING TO DO, AND FOR ALL OF HIS OUTSTANDING EFFORTS I AM GRATEFUL.

HR 3735 AMENDS THE FOREIGN ASSISTANCE ACT OF 1961 TO REATHORIZE THE DEVELOPMENT FUND FOR AFRICA AT \$740 MILLION FOR EACH OF THE FISCAL YEARS 1997, 1998, AND 1999. THE BILL ESTABLISHES A LINE ITEM FOR THE DFA ACCOUNT. I BELIEVE SO STRONGLY THAT A LINE ITEM FOR THE DFA IS NECESSARY THAT I OFFERED LEGISLATION SIMILAR TO THIS AS AN AMENDMENT TO THE FY97 FOREIGN AID APPROPRIATIONS BILL. UNFORTUNATELY, I WAS NOT SUCCESSFUL IN THIS ENDEAVOR, AND

THEREFORE, AM ESPECIALLY PLEASED THAT THE AUTHORIZING COMMITTEE HAS DECIDED TO REVISIT THIS ISSUE.

THIS LEGISLATION IS IMPORTANT FOR A NUMBER OF REASONS. IT WOULD LET THE APPROPRIATORS KNOW THAT THIS COMMITTEE SUPPORTS A LINE ITEM SO THAT WHEN THE FOREIGN OPERATIONS BILL CONFERENCE BEGINS THEY WILL ACCEPT THE SENATE PROVISIONS WHICH MAY VERY WELL HAVE A LINE ITEM.

BUT MORE IMPORTANTLY, IT WOULD TELL THE WORLD THAT THE U.S. CONGRESS RECOGNIZES THE ENORMOUS DEVELOPMENT CHALLENGES FACING AFRICA. THE DEVELOPMENT FUND FOR AFRICA HAS PROVEN TO BE AN EFFECTIVE MECHANISM IN PROVIDING FOREIGN ASSISTANCE TO AFRICA. ITS FLEXIBILITY AND ORIENTATION TOWARD ESTABLISHING MEASURABLE RESULTS PUTS THE DFA ON THE CUTTING EDGE OF U.S. FOREIGN ASSISTANCE MECHANISMS. THIS IS A GOOD, COST-EFFECTIVE PROGRAM WHICH, IF ADEQUATELY SUPPORTED, WILL HELP LEAD MANY AFRICAN NATIONS TOWARDS SELF-SUFFICIENCY. AND STABLE, SELF-SUFFICIENT COUNTRIES WILL YIELD PROSPEROUS TRADING PARTNERS FOR AMERICAN BUSINESSES. THEREFORE, I SUPPORT THIS LEGISLATION AND URGE MY COLLEAGUES TO JOIN ME.

ALBERT R. WYNN
4TH DISTRICT, MARYLAND
COMMITTEE ON BANKING
AND FINANCIAL SERVICES
COMMITTEE ON
INTERNATIONAL RELATIONS



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-2004

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Statement of Congressman Albert R. Wynn
on the Development Fund for Africa
House International Relations Committee
July 24, 1996

Mr. Chairman, I am pleased to support the reauthorization of the Development Fund for Africa. Passage of this legislation will reflect a commitment to democracy and development in Africa.

Over the years, the Development Fund for Africa has helped to improve child survival rates, combat HIV and AIDS, promote responsible family planning, upgrade education, increase democratic participation, and improve economic management.

Africa is the final frontier of development. Its problems are immense and unique, requiring a long-term approach. Africa does matter to the United States, and it is in our national interest to develop markets, prevent costly conflicts and crises, and address global problems.

But progress is fragile. Africa's infant and child mortality rates are 2 to 3 times higher than those in Latin America and Asia. Average GNP per capita in Latin America is more than 5 times higher than in Africa. Population is exploding, as African women have twice as many babies as women in other regions.

Africa is years behind Latin America and Asia in terms of development. Those regions are now benefitting from the decades of sustained American assistance. Now it's Africa's turn.

US development assistance is critical to the successful political and economic transformations taking place across Africa. Results are being achieved because American assistance is well focussed and well managed. The US must continue its commitment to Africa's sustainable development, and the Development Fund for Africa is the right way to do that.

HOUSE OF REPRESENTATIVES
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Gary L. Ackerman
Congress of the United States
5th District, New York

COMMITTEE ON
INTERNATIONAL RELATIONS
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RANKING DEMOCRAT,
SUBCOMMITTEE ON AFRICA
COMMITTEE ON BANKING AND
FINANCIAL SERVICES
SUBCOMMITTEE ON CAPITAL MARKETS,
SECURITIES AND GOVERNMENT
SPONSORED ENTERPRISES
DEMOCRATIC STEERING COMMITTEE

Statement of Rep. Gary L. Ackerman
on HR 3735
July 29, 1996

Mr. Chairman, I am pleased to support HR 3735, legislation reauthorizing the Development Fund for Africa (DFA).

By supporting the DFA, the Committee is sending an important message that Africa does matter and that the United States must remain engaged through the flexible and effective mechanism the DFA provides.

Africa continues to present significant development challenges to the U.S. and to the world. According to the 1995 World Development Report, 22 of the world's 30 poorest countries are in Africa. When compared to Asia or Latin America, life expectancy in Africa is shorter; infant and child mortality is greater; adult literacy is lower; fewer children are enrolled in primary and secondary schools; and population growth is higher. Obviously there is a tremendous amount of work to be done.

Reauthorizing the DFA will protect funding levels for Africa that might otherwise be diverted to short-term foreign policy crises elsewhere; it will continue to provide flexibility in designing and developing effective strategies for the region; and it will sustain the performance-based, results-oriented system for sub-Saharan Africa where aid resources are concentrated in countries that show the most commitment to developing their economic and political systems, and to addressing serious social problems.

Mr. Chairman, I commend Mr. Bereuter for introducing the bill and you for bringing it before the Committee today, and I urge all my colleagues to vote to support the DFA.



American Foreign Service Association
 2101 E Street NW Washington, DC 20037 (202) 336-4045
 FAX (202) 336-6820 E-mail afsa@afsa.org

July 23, 1996

Honorable Benjamin Gilman
 Chairman, House International
 Relations Committee
 2170 RHOB
 Washington, D.C. 20515

Dear Mr. Gilman:

The American Foreign Service Association (AFSA) appreciates your help in bringing a stand-alone bill to the floor of the House of Representative that will provide limited short-term buy-out authority for up to 100 employees of the United States Agency for International Development (USAID).

This bill will enable up to 100 General Service and Foreign Service employees not eligible for a full annuity retirement to volunteer to leave the Agency for other pursuits. We understand that this buy-out will save the jobs of some of our most valuable employees that might otherwise be terminated as a result of the reduction-in-force (RIF) currently underway in USAID.

We support this bill and your efforts to sustain a viable United States Foreign Assistance program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Miller".

Frank Miller
 Vice President for USAID

InterAction®

American Council for Voluntary International Action

National Council

July 23, 1996

Marygrove Crady Benson
Robert Dukes
Dorothy I. Haight
Rep. Theodore E. Hill
Nancy Kennedy Lundy
Charles H. Percy
Jill Rudolph

The Honorable Benjamin Gilman
2172 Rayburn House Office Building
Washington, DC 20515

President &
Chief Executive Officer
Julia V. Taft

Dear Chairman Gilman:

I would like to thank you for your comments at the recent UNDP luncheon, and your continued support of international development programs.

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William R. Rouse

Vice Chairperson
Kathryn Whitford

Secretary
Jose A. Aguirre

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We are pleased that the International Relations Committee is considering bipartisan legislation that highlights at least two areas of priority for the InterAction community: the Development Fund for Africa, and microenterprise lending. These are just two examples of how U.S. foreign assistance can and should be targeted effectively toward those most in need, to respond to human suffering and help people lift themselves out of poverty.

We would like to stress InterAction's strong support for the other essential components of our foreign assistance program that are not being addressed at this particular time, namely: bilateral and multilateral development assistance that addresses other priorities such as child survival and other health programs, family planning, basic education, agriculture, the environment, and the promotion of democratic and equitable development; international disaster assistance; and refugee and migration assistance. The complex challenges in the post-Cold War world demands U.S. attention to not just one or two but all of these critical areas.

We also appreciate your continued support for increasing the role of America's private and voluntary organizations, represented by the InterAction community. We hope that Congress, under your leadership, will ensure that PVOs are a priority mechanism for the delivery of U.S. foreign assistance.

We hope that there will be an opportunity in the next Congress to pass a bipartisan foreign aid authorization bill that ensures a strong U.S. commitment to and adequate resources for all of these priority areas.

Sincerely yours,



Julia V. Taft
President & CEO

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 Catholic Relief Services
 Center for International Development &
 Environment/World Resources Institute
 Center for International Health &
 Cooperation
 Center of Concern
 Centre for Development & Population
 Activities (CEDPA)
 Child Health Foundation
 Childreach
 Children's Survival Fund
 Christian Children's Fund
 Christian Reformed World Relief Committee
 Church World Service
 Citizen's Network for Foreign Affairs
 Concern America
 Council of Jewish Federations
 Ginnerpart Foundation/TSP
 Croatian Democracy Project
 Delphi International
 Direct Relief International
 Doctors of the World
 End Hunger Network
 Enervel Associates
 Episcopal Church of the USA/Presiding
 Bishop's Fund for World Relief

Episcopal Migration Ministries
 Eritrean Relief Committee
 Ethiopian Community Development Council
 Finance-for-Development Coalition
 Food for All
 Food for the Hungry
 Foundation for International Community
 Assistance (FINCA)
 Freedom From Hunger
 Friends of Liberia
 Fund for Democracy & Development
 Goodwill Industries International
 Grassroots International
 Habitat for Humanity International
 Haifa Project International
 Helen Keller International
 HIAS
 The Hunger Project
 Immigration and Refugee Services of America
 Institute for Development Research
 Institute of Cultural Affairs
 InnerAid International
 Interchurch Medical Assistance
 International Aid
 International Catholic Migration Commission
 International Center for Research on Women
 International Executive Service Corps
 International Eye Foundation
 International Institute for Energy Conservation
 International Institute of Rural Reconstruction
 International Medical Corps
 International Medical Services for Health
 International Orthodox Christian Charities
 International Reading Association
 International Rescue Committee
 International Voluntary Services
 International Women's Health Coalition
 Islamic African Relief Agency USA
 Jewish Refugee Service/USA
 Kaulbars North/South Development
 Partnership
 Lawluch Literacy International
 Lutheran Immigration & Refugee Service
 Lutheran World Relief
 MAP International
 March of Dimes Birth Defects Foundation
 Margaret Sanger Center International
 Medicina Sans Frontieres USA (Doctors
 Without Borders)
 Medical Care Development
 Mercy Corps International
 National Council for International Health
 National Council of Negro Women
 National Peace Corps Association
 National Wildlife Federation
 Near East Foundation
 NECTURE/Center to Prevent Childhood
 Malnutrition

Operation USA
 Opportunities Industrialization Centers
 International
 Opportunity International
 Outreach International
 Overseas Development Council
 Oxfam America
 Pact
 Pan American Development Foundation
 PANOS Institute
 Partners of the Americas
 Pathfinder International
 Pax World Service
 Planning Assistance
 Points of Light Foundation
 Population Action International
 Population Communication
 Refugees International
 Resource Foundation
 RESULTS
 Salvation Army World Service Office
 Save the Children
 Service & Development Agency of the
 African Methodist Episcopal Church
 SHARE Foundation: Building a New El
 Salvador Today
 Sierra Club
 Southeast Asia Resource Action Center
 Synergos Institute
 TechnoServe
 Tolstoy Foundation
 Trickle Up Program
 Unitarian Universalist Service Committee
 United Israel Appeal
 United Methodist Committee on Relief
 United Way International
 US Catholic Conference/Migration &
 Refugee Services
 US Committee for Refugees
 US Committee for UNICEF
 Volunteers in Overseas Cooperative Assistance
 (VOCA)
 Volunteers in Technical Assistance (VITA)
 Winrock International
 World Concern Development Organization
 World Education
 World Learning
 World Neighbors
 World Relief
 World Share
 World Vision Relief & Development
 World Wildlife Fund
 YMCA of the USA
 YWCA of the USA
 Zero Population Growth

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